

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

IN RE:

W.R. GRACE & CO., *et al.*,

Debtors.

Chapter 11

Case No. 01-1139 (JKF)

(Jointly Administered)

Objection Deadline: March 28, 2005 @ 4:00 p.m.

**FORTY-SECOND MONTHLY FEE APPLICATION OF KRAMER
LEVIN NAFTALIS & FRANKEL LLP, COUNSEL TO THE
OFFICIAL COMMITTEE OF EQUITY HOLDERS, FOR
COMPENSATION AND REIMBURSEMENT OF DISBURSEMENTS FOR THE
PERIOD FROM JANUARY 1, 2005 THROUGH JANUARY 31, 2005**

Name of Applicant: Kramer Levin Naftalis & Frankel LLP

Authorized to Provide
Professional Services to: Official Committee of Equity Holders

Date of Retention: As of July 18, 2001 nunc pro tunc

Period for which compensation
and reimbursement is sought: January 1, 2005 through and including
January 31, 2005

Amount of Compensation sought as
actual, reasonable and necessary: \$132,776.50

Amount of Expense Reimbursement
sought as actual, reasonable and
necessary: \$8,060.80

This is a(n): x monthly — interim application

Prior Applications:

| Date Filed | Period Covered | Requested Fees/ Expenses | Paid Fees/ Expenses |
|----------------------------------|---|-----------------------------|----------------------------|
| February 28, 2002 | January 1, 2002 - January 31, 2002 | \$23,807.50 \$1,961.58 | \$19,046.00 \$1,961.58 |
| April 1, 2002 | February 1, 2002 - February 28, 2002 | \$36,382.50 \$2,894.44 | \$29,106.00 \$2,894.44 |
| May 8, 2002 | March 1, 2002 - March 31, 2002 | \$32,575.00 \$2,107.64 | \$26,060.00 \$2,107.64 |
| May 15, 2002 (Quarterly) | January 1, 2002 - March 31, 2002 | \$92,765.00 \$6,963.66 | \$92,765.00 \$6,963.66 |
| June 17, 2002 | April 1, 2002 - April 30, 2002 | \$28,794.00 \$2,669.24 | \$23,035.20 \$2,669.24 |
| August 5, 2002 | May 1, 2002 May 31, 2002 | \$24,232.00 \$2,299.11 | \$19,385.60 \$2,299.11 |
| September 4, 2002 | June 1, 2002 June 30, 2002 | \$20,392.50 \$388.61 | \$16,314.00 \$388.61 |
| September 18 2002 (Quarterly) | April 1, 2002 June 30, 2002 | \$73,418.50 \$5,356.96 | \$69,340.00 \$5,356.96 |
| November 4, 2002 | July 1, 2002 July 31, 2002 | \$28,083.50 \$1,121.59 | \$22,466.80 \$1,121.59 |
| October 24, 2002 | August 1, 2002 August 31, 2002 | \$33,598.50 \$7,190.62 | \$26,878.80 \$7,190.62 |
| November 5, 2002 | September 1, 2002 September 30, 2002 | \$25,584.50 \$1,761.46 | \$20,467.60 \$1,761.46 |
| November 21, 2002 (Quarterly) | July 1, 2002 September 30, 2002 | \$87,266.50 \$10,070.69 | \$87,266.50 \$10,070.69 |
| November 25, 2002 | October 1, 2002 October 31, 2002 | \$39,887.50 \$2,124.93 | \$31,910.00 \$2,124.93 |

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|--------------------|---|---------------------------|---------------------------|
| January 14, 2003 | November 1, 2002 November 30, 2002 | \$18,704.00 \$652.12 | \$18,704.00 \$633.86 |
| February 10, 2003 | December 1, 2002 December 31, 2002 | \$11,853.50 \$816.82 | \$9,482.80 \$816.82 |
| February 25, 2003 | January 1, 2003 January 31, 2003 | \$11,100.00 \$927.47 | \$8,880.00 \$927.47 |
| March 11, 2003 | October 1, 2002 December 31, 2002 | \$70,445.00 \$3,575.61 | \$70,445.00 \$3,575.61 |
| April 8, 2003 | February 1, 2003 February 28, 2003 | \$13,418.00 \$240.08 | \$10,734.40 \$240.08 |
| May 6, 2003 | March 1, 2002 March 31, 2003 | \$26,969.00 \$452.38 | \$21,575.20 \$452.38 |
| May 15, 2003 | January 1, 2003 March 31, 2002 | \$51,487.00 \$1,619.93 | \$51,487.00 \$1,619.93 |
| June 4, 2003 | April 1, 2003 April 30, 2003 | \$7,609.00 \$1,594.42 | \$6,087.20 \$1,594.42 |
| June 26, 2003 | May 1, 2003 May 31, 2003 | \$9,411.00 \$107.57 | \$7,528.77 \$107.57 |
| August 13, 2003 | June 1, 2003 June 30, 2003 | \$10,427.00 \$137.09 | \$8,341.60 \$137.09 |
| August 21, 2003 | April 1, 2003 June 30, 2003 | \$27,447.00 \$1,839.08 | \$27,447.00 \$1,839.08 |
| September 25, 2003 | July 1, 2003 July 31, 2003 | \$9,272.50 \$32.30 | \$7,418.00 \$32.30 |
| October 2, 2003 | August 1, 2003 August 31, 2003 | \$9,815.50 \$130.93 | \$489.69 \$130.93 |
| November 26, 2003 | September 1, 2003 September 30, 2003 | \$15,004.00 \$334.63 | \$12,003.20 \$334.63 |
| December 19, 2003 | October 1, 2003 October 31, 2003 | \$13,134.00 \$174.04 | \$10,507.20 \$174.04 |
| January 6, 2004 | November 1, 2003 November 30, 2003 | \$14,537.00 \$273.00 | \$11,629.60 \$273.00 |
| January 29, 2004 | December 1, 2003 December 31, 2003 | \$17,595.00 \$1,599.14 | \$14,076.00 \$1,599.14 |
| February 27, 2004 | January 1, 2004 January 31, 2004 | \$8,979.00 \$436.37 | \$7183.20 \$436.47 |

| | | | |
|-------------------|---|----------------------------|-----------------------------------|
| May 5, 2004 | February 1, 2004 February 29, 2004 | \$8,888.00 \$545.85 | \$7,110.40 \$545.85 |
| May 28, 2004 | March 1, 2004 March 31, 2004 | \$13,807.50 \$472.11 | \$11,643.00 \$472.11 |
| November 1, 2004 | January 1, 2004 March 31, 2004 | \$48,415.50 \$1,840.66 | pending |
| June 30, 2004 | April 1, 2004 April 30, 2004 | \$14,373.50 \$389.30 | \$2,874.70 ¹ \$0.00 |
| August 3, 2004 | May 1, 2004 May 31, 2004 | \$10,840.00 \$1,279.24 | \$8,672.00 \$1,279.24 |
| August 23, 2004 | June 1, 2004 June 30, 2004 | \$23,202.00 \$172.12 | \$18,561.60 \$172.12 |
| October 1, 2004 | July 1, 2004 July 31, 2004 | \$13,523.50 \$33.62 | \$10,818.40 \$33.62 |
| October 29, 2004 | August 1, 2004 August 31, 2004 | \$9,543.50 \$125.25 | \$7,634.80 \$125.25 |
| November 2, 2004 | September 1, 2004 September 30, 2004 | \$24,483.00 \$836.33 | \$19,586.40 \$836.33 |
| November 23, 2004 | October 1, 2004 October 31, 2004 | \$128,959.00 \$6,922.76 | \$103,167.20 \$6,922.76 |
| December 28, 2004 | November 1, 2004 November 30, 2004 | \$153,725.00 \$4,236.79 | \$122,980.00 \$4,236.79 |
| February 2, 2005 | December 1, 2004 December 31, 2004 | \$123,833.00 \$3,246.49 | \$102,312.89 \$3,246.49 |

SUMMARY OF TIME FOR BILLING PERIOD
JANUARY 1, 2005 THROUGH JANUARY 31, 2005

| Name | Hourly Billing Rate | Total Billed Hours | Total Compensation |
|----------------------|----------------------------|---------------------------|---------------------------|
| Nadler, Ellen R. | 630.00 | 43.40 | \$28,644.00 |
| Bentley, Philip | 565.00 | 33.20 | \$19,754.00 |
| Mayer, Thomas Moers | 690.00 | 1.40 | \$1,015.00 |
| Horowitz, Gregory A. | 525.00 | 57.60 | \$32,256.00 |
| Becker, Gary M. | 495.00 | 57.70 | \$30,004.00 |
| Novod, Gordon | 390.00 | 8.80 | \$3,608.00 |

¹ Kramer Levin has only received the 20% holdback for April 2004. We currently are owed 80% fees (\$11,498.80) and 100% expenses (\$389.30)

| | | | |
|----------------------|--------|---------------|---------------------|
| Dimos, Bill | 250.00 | 4.30 | \$1,182.50 |
| Koevary, Jonathan T. | 250.00 | 8.90 | \$2,447.50 |
| Segal, Amanda J. | 250.00 | 37.30 | \$10,257.50 |
| Mangual, Kathleen | 205.00 | 12.30 | \$2,521.50 |
| Shea, James | 205.00 | 0.30 | \$61.50 |
| Lipton, Matthew | 205.00 | 5.00 | \$1,025.00 |
| Total | | 270.20 | \$132,776.50 |

COMPENSATION SUMMARY BY PROJECT CATEGORY

| Project Category | Total Hours for the Period 1/1/05 through 1/31/05 | Total Fees for the Period 1/1/05 through 1/31/05 |
|--|--|---|
| Case Administration | 29.00 | \$7,298.50 |
| Creditor Committee | 12.60 | \$6,911.50 |
| Bankruptcy Motions | 10.30 | \$4,997.50 |
| Reorganization Plan | 62.60 | \$24,189.50 |
| Fee Applications, Applicant | 6.90 | \$2,517.00 |
| Claim Analysis Objection (Asbestos) | 136.60 | \$79,843.50 |
| Hearings | 7.10 | \$4,134.50 |
| Travel/Non Working | 5.10 | \$2,884.50 |
| Total | 270.20 | \$132,776.50 |

EXPENSE SUMMARY

| Expense Category | Total Expenses For the Period 1/1/05 through 1/31/05 |
|------------------------------|---|
| Veloboundings | \$37.50 |
| Tabs | \$60.00 |
| Photocopying | \$1,808.10 |
| Long-Distance Tel. | \$1.18 |
| Westlaw On-Line Research | \$342.84 |
| Lexis/Nexis On-Line Research | \$2,594.93 |
| Messenger/Courier | \$9.96 |
| Cab Fares | \$90.00 |
| Meals/In House | \$65.00 |
| In-House/Meals | \$48.29 |
| Out-of-town Travel | \$2,426.90 |
| Meal/T&E | \$38.85 |
| Document Retrieval Fees | \$537.25 |
| Total | \$8,060.80 |

KRAMER LEVIN NAFTALIS & FRANKEL LLP

By: _____

Gary M. Becker
919 Third Avenue
New York, New York 10022
(212) 715-9100

Counsel to the Official Committee of
Equity Holders

Dated: March 7, 2005